



(E) Borrower's responsibility includes maintaining a current address with the coordinating board. A notice of default returned to the coordinating board as undeliverable will be considered as no response and the borrower's default status will be reported to a national credit bureau within thirty (30) days from the mailing date of the default notice.

(9) Cancellation.

(A) A borrower may cancel twenty percent (20%) of the remaining balance including principal and interest owed for each academic year the borrower is employed in a Missouri public elementary or secondary school in the state and is teaching in a teacher certification area or a geographic area of critical need.

(B) The teacher certification area of critical need for a borrower shall be determined at the time the borrower initially receives and accepts funds under the MPTLP.

(C) The geographic area of critical need for a borrower shall be determined at the time the borrower signs a contract to teach in a Missouri public elementary or secondary school.

(D) A borrower requesting cancellation must enter into a contract with an elementary or secondary school recognized as a public school by the state board and the school official shall verify on the MPTLP Employment Status Form the borrower's employment each academic year of teaching.

(E) A borrower requesting cancellation as an elementary teacher must have a major area of emphasis in the teacher certification area of critical need and the school official must verify the borrower is teaching in the major area on the MPTLP Employment Status Form for the borrower to qualify for cancellation requirements in accordance with subsection (9)(A) of this rule.

(F) No payment is due from a borrower as long as s/he is regularly employed by a public elementary or secondary school in Missouri and is teaching in an area of critical need.

(G) Repayment of the loan and interest shall begin immediately if the borrower ceases employment with a public elementary or secondary school in Missouri or discontinues teaching in the area of critical need before or at the end of the academic year in which the borrower has begun teaching.

(H) After five (5) years of employment and teaching by the borrower in an area of critical need, the total amount borrowed, principal and interest, or the remaining balance may be fully cancelled.

(10) Deferment of Repayment.

(A) A borrower may qualify for an in-school deferment and defer payments of principal and interest if the borrower returns to pursue a full-time course of study at the graduate level as defined by the educational institution.

1. A borrower enrolled as a full-time graduate student and requesting deferment of repayment must enroll in an educational institution regionally accredited.

2. A Request for Deferment of Repayment Form must be completed by the borrower and a school official and the educational institution must verify the student's enrollment status in order to qualify for the in-school deferment.

3. The beginning date for the requested deferment is the date the borrower begins attending as a full-time graduate student. The deferment can continue for any length of time, as long as the borrower remains enrolled at an educational institution on a basis that meets the previously stated eligibility requirements.

4. A Request for Deferment of Repayment Form must be completed for each academic year the borrower is enrolled as a full-time graduate student and requests a deferment of principal and interest.

(B) A borrower may request a temporary total disability deferment for up to three (3) years if the borrower, by reason of injury or illness, cannot be expected to be able to attend a participating institution or to be gainfully employed during a reasonable period of recovery from such injury or illness not to exceed twelve (12) months.

1. A Request for Deferment of Repayment Form must be completed by the borrower and submitted to the MPTLP along with a physician's statement certifying the nature of the disability and the expected duration of the temporary total disability.

2. The borrower's grace period must be used before the temporary total disability deferment can be granted. The beginning date of this deferment is the date on the Request for Deferment of Repayment Form indicating when the disability began or the day after the end of the grace period, whichever is later.

(C) No other deferments shall be granted under the MPTLP.

(11) Forbearance.

(A) The Missouri Prospective Teacher Loan Program will consider the use of forbearance in cases where, because of temporary hardship, the borrower is willing but unable to pay in accordance with the repayment schedule. Forbearance shall not be used when a borrower is unwilling to make repay-

ments. Forbearance is often granted in situations where the borrower is, for a period of time, unable but willing to meet his/her obligation, for example, hospitalization, prolonged illness or disability.

(B) Forbearance for a borrower may consist of a reduction in the amount of scheduled payments for a specific period of time or the suspension of payments for a specific period.

(C) The MPTLP shall determine the status of forbearance and if interest payments may be postponed during forbearance for each borrower.

(12) Death, Disability and Bankruptcy.

(A) In the event a borrower becomes totally and permanently disabled, the requirements of the borrower to make any further payment of principal and interest will be cancelled immediately upon approval of the disability. Disability exists when the borrower, by reason of injury or illness, cannot be gainfully employed for a period of not less than twelve (12) months from the injury or illness. S/he must have a severe impairment which makes him/her unable to do his/her previous work or any other substantial gainful activity which exists in the national economy. The appropriate documents necessary for filing a disability claim may be obtained from the MPTLP upon request.

(B) In the event, either voluntary or involuntary, a borrower becomes subject to a proceeding under the bankruptcy laws of the United States of America, s/he immediately shall report this proceeding to the coordinating board and provide a copy of the petition.

(13) Due Diligence. The coordinating board will monitor all student loans in deferment, cancellation, repayment or default status. The coordinating board may pursue all available legal remedies to ensure full repayment of loans.

AUTHORITY: sections 168.550-168.595, RSMo 1995. Original rule filed Jan. 11, 1986, effective June 12, 1986.*

**Original authority 1985.*

6 CSR 10-2.080 Higher Education Academic Scholarship Program

PURPOSE: The Higher Education Academic Scholarship Program permits the Coordinating Board for Higher Education to provide academic scholarships for eligible Missouri residents to attend an approved Missouri college or university of their choice pursuant to the provisions included in section 173.250, RSMo. This rule sets forth qualifications



required of student applicants for the scholarships, criteria to be used in selecting scholarship recipients and qualifications which approved colleges or universities must meet.

(1) Definitions.

(A) Academic year or the period of the scholarship is the period from July 1 of any year through June 30 of the following year.

(B) ACT means the American College Testing Program.

(C) Applicant is anyone who applies to the MDHE for a scholarship under the academic scholarship program and who qualifies under section 173.1104, RSMo, excluding undergraduate status.

(D) Approved institution means any institution located in the state of Missouri that meets the requirements set forth in section 173.1102(2) or (3), RSMo, and that has been approved under 6 CSR 10-2.140.

(E) Approved student deferment period or deferment is a period of time up to the maximum time allowed in section 173.250, RSMo, during which an eligible initial or renewal recipient may cease enrollment without losing scholarship eligibility. The deferment shall begin on July 1 of the academic year for which the student's deferment was approved or July 1 following the most recent academic year that the student received scholarship assistance.

(F) Certificate of high school equivalence shall be a certificate that is awarded to an applicant who has successfully completed and passed the General Educational Development (GED) examination as established by the Commission on Educational Credit and Credentials of the American Council on Education (ACE).

(G) Completed secondary coursework or completion of secondary coursework shall be graduation from high school, completion of a formal home school program consistent with Missouri statutory requirements, or receipt of a certificate of high school equivalence.

(H) Consortium agreement means a written agreement between two (2) or more approved institutions that allows students to take courses at a school other than the home school and have those courses count toward the degree or certificate at the home school that complies with the United States Department of Education requirements for federal student financial assistance.

(I) Continually enrolled shall be enrollment as a full-time student who receives scholarship assistance at an approved institution for at least one (1) semester, trimester, or quarter, not including summer terms, in the academic year for which the scholarship award was offered.

(J) CBHE means the Coordinating Board for Higher Education created by section 173.005, RSMo.

(K) Expenses shall be any education-related expenses including, but not limited to, tuition, fees, and room and board.

(L) Full-time student shall be defined by the approved institution as a postsecondary student who is enrolled in and is carrying a sufficient number of credit hours or its equivalent (minimum twelve (12) credit hours) at the approved private or public Missouri institution to secure the degree or certificate toward which the student is working in accordance with paragraph (2)(A)5. of this rule. Provided, however, that an otherwise eligible student having a disability as defined by Title II of the Americans with Disabilities Act (42 U.S.C. 12101-12213) who, because of his disability, is unable to satisfy the statutory minimum requirements for full-time status under Title IV student aid programs shall be considered by the approved institution to be a full-time student and shall be considered to be making satisfactory academic progress, as defined in subsection (1)(X) of this rule, while carrying a minimum of six (6) credit hours or their equivalent at the approved institution.

(M) Higher Education Academic Scholarship Program or academic scholarship program shall mean the academic scholarship program provisions created by section 173.250, RSMo.

(N) His or he shall apply equally to the female as well as the male sex where applicable in this rule.

(O) Initial recipient shall be any applicant who meets the eligibility requirements and is awarded an academic scholarship under the academic scholarship program in the academic year immediately following completion of secondary coursework.

(P) Medical need shall be a verified illness, disability, pregnancy, or other medical condition that prevents an eligible applicant from enrolling as a renewal recipient or which requires a recipient to cease all attendance at an approved institution in the academic year for which the scholarship award was originally offered.

(Q) MDHE shall be the Missouri Department of Higher Education created by section 173.005, RSMo.

(R) Missouri test takers shall be all Missouri high school students taking the ACT examination or the SAT during the student's senior year in high school.

(S) Nonprofit organization shall be any organization which is organized under the laws of its home state as a not-for-profit corporation or organization, such as a charitable, scientific, or literary organization.

(T) Qualifying score shall be a composite score on the ACT examination or the SAT achieved in an eligible student's high school sophomore, junior, or senior year that is in the top three percent (3%) of all Missouri test takers for fiscal years prior to 2011, and five percent (5%) of Missouri test takers for fiscal year 2011 and each fiscal year thereafter.

(U) Renewal recipient shall be any applicant who received an academic scholarship as an initial recipient under the academic scholarship program and meets the eligibility requirements under the provisions of this rule and requirements as defined by the approved institution and is awarded a renewable academic scholarship under the academic scholarship program.

(V) Resident of Missouri is any person who meets the requirements for resident status for Missouri set forth by the CBHE in 6 CSR 10-3.010.

(W) SAT means the Scholastic Aptitude Test of the College Board.

(X) Satisfactory academic progress shall be a cumulative grade point average (CGPA) of at least two and one-half (2.5) on a four-point (4.0) scale, or the equivalent on another scale, and, with the exception of grade point average, as otherwise determined by the approved institution's policies as applied to other students at the approved institution receiving assistance under Title IV financial aid programs included in the Higher Education Act of 1965. The calculation of CGPA shall be based on the approved institution's policies as applied to other students in similar circumstances.

(Y) Scholarship assistance or award shall be an amount of money paid by Missouri to a qualified applicant pursuant to the provisions of this rule.

(Z) Service-related expenses shall be any allowable expenses related to room, board, travel, and personal costs of the applicant necessary to satisfactorily provide and complete a service to a nonprofit organization, or a state or federal government agency.

(AA) Student exchange program shall be any recognized international or national secondary-level exchange program recognized by the student's high school that is available to qualified students to continue their educational studies.

(BB) Sufficient documentation shall be documents including, but not limited to, letters of participation, application materials,



copies of orders or release papers, or a statement of medical need provided by the student exchange program, the nonprofit organization, a state or federal government agency, any branch of the armed forces, or a practicing medical physician that verifies a student's status to the satisfaction of the MDHE.

(2) Basic Eligibility Policy.

(A) To be eligible for initial or renewed scholarship assistance under the academic scholarship program, an applicant must meet the following conditions:

1. Be a citizen or permanent resident of the United States;
2. Be a resident of Missouri;
3. Be enrolled or accepted for enrollment as a full-time postsecondary student at an approved institution for the period of the scholarship and be in compliance with section 173.1104, RSMo, excluding the requirement of undergraduate status;
4. Not be enrolled or intend to use the award to enroll in a course of study leading to a degree in theology or divinity; and
5. Be allotted scholarship assistance for one (1) academic year, but an applicant shall be eligible for renewed assistance until he has obtained a baccalaureate degree; provided, the scholarship assistance shall not exceed a total of ten (10) semesters or fifteen (15) quarters or their equivalents.

(B) To be eligible for initial scholarship assistance, an applicant must also:

1. Have completed secondary coursework and have achieved a qualifying score;
2. Be offered and receive a scholarship award as a first-time, full-time, first-year postsecondary student the academic year immediately following completion of secondary coursework; and
3. Complete and submit all requested eligibility information to the MDHE according to the provisions of this rule.

(C) To be eligible for renewed scholarship assistance, an applicant must also:

1. Be continually enrolled in an approved institution full-time, excluding periods of enrollment during summer terms, as a second-, third-, fourth- or fifth-year student, or other student meeting the eligibility requirements of this rule;
2. Have continually received an academic scholarship subject to the availability of state-appropriated funds; and
3. Maintain satisfactory academic progress in his course of study.

(D) To be approved for a deferment, initial and renewal recipients who cease all enrollment due to participation in a student exchange program, provision of a service to a nonprofit organization, a state or federal gov-

ernment agency, or service on active duty in any branch of the armed forces of the United States or because of medical need must meet the eligibility requirements for scholarship assistance in accordance with the provisions of this rule, with the exception of continuous enrollment. Prior to the student's change in status, the student must—

1. Contact the CBHE in writing to request a student deferment of eligibility; and
2. Complete and submit the deferment of eligibility form that is provided by the MDHE, along with sufficient documentation indicating the renewal recipient ceased all attendance or the initial recipient was unable to enroll and receive scholarship assistance at an approved institution in the academic year for which the scholarship was originally offered.

(E) To satisfactorily complete the approved student deferment period, applicants and recipients must meet the following requirements in the academic year immediately following the student deferment period:

1. Notify the MDHE by submitting sufficient documentation verifying the approved student deferment period was satisfactorily completed within the original dates, not to exceed the maximum time frame allowed in section 173.250, RSMo;
2. Complete and submit all requested eligibility information to the MDHE according to the provisions of this rule;
3. Have met all other requirements established for eligibility to receive an initial or renewal scholarship;
4. Enroll as a full-time student at an approved institution; and
5. Submit sufficient documentation verifying to the MDHE that the student was not compensated for other than service-related expenses for a service that was provided to a nonprofit organization.

(3) Responsibilities of Approved Institutions. Institutions participating in the Higher Education Academic Scholarship Program must meet the requirements set forth in 6 CSR 10-2.140, Institutional Eligibility for Student Participation.

(4) Application and Evaluation Policy.

(A) The CBHE shall prescribe the form of and the time and method of filing applications under the academic scholarship program.

(B) An application for scholarship assistance under the academic scholarship program shall be made in the form and method prescribed by the CBHE.

(C) The CBHE will determine if an applicant has achieved a qualifying score and is eligible for an award as an initial recipient by

evaluating the official ACT or SAT test scores from national test dates in comparison to the Missouri high school senior score report provided by ACT or the College Board. Verification of the initial recipient's test scores from national test dates must be provided by ACT or the College Board, or by an official at the high school from which the initial recipient graduated or a financial aid officer at the approved institution in which the initial recipient is enrolled or plans to enroll based on documentation from ACT or the College Board. Failure to provide official test score verification will result in the application being incomplete.

(D) If an eligible applicant has been offered or has received a scholarship award under the provisions of this rule and if the applicant's qualifying composite test score has officially been cancelled and is determined to be invalid by ACT or the College Board then the applicant will be declared ineligible for further award by the MDHE for the scholarship program.

(E) All applicants and renewal students will be evaluated by the MDHE according to the eligibility criteria under the provisions of this rule, the information submitted by the approved institution, and on any other information received by and deemed reliable by the MDHE.

(F) The deadline for having completed eligibility information on file will be published annually by the MDHE for each academic year. Completed eligibility information must be on file with the MDHE on or before the published deadline to be considered on time and for the applicant to have priority consideration. Incomplete records received by the MDHE will not be processed.

(G) Eligibility information completed after the annual deadline published by the MDHE will be awarded provided program funds are available, based on a review by the MDHE.

(5) Award Policy.

(A) The maximum academic scholarship program award amount for each applicant per academic year shall be the amount(s) referenced in section 173.250, RSMo.

(B) Awards at approved institutions utilizing trimester academic programs shall be evenly distributed over the three (3) terms.

(C) Financial need shall not be used by the MDHE in determining eligibility for awards under the academic scholarship program for an applicant.

(D) If sufficient program funds are unavailable to award to all recipients, the award amounts will be reduced equally for all recipients until all funds have been expended.



(E) The award amount for any given academic year will be disbursed to the approved institution equally according to the number of semesters at the approved institution and awarded for each semester of enrollment.

(F) Awards will not be made for periods of enrollment during summer terms.

(G) Awards will be issued only after certification of full-time attendance of the student by the institution. For a student enrolled as part of a consortium agreement, the student must be considered to be enrolled full-time at the home institution to be certified.

(H) An applicant may change his approved institution choice by the established deadline and may transfer between approved institutions during the academic year. Failure to notify the MDHE of such action may result in loss of the award.

(I) Award notifications will be sent to initial applicants and renewal students by the MDHE once the awards have been determined. Notification of initial and renewal awards also will be sent to the student financial aid office at the approved institution where the applicant plans to enroll or has enrolled.

(J) The applicant's award will be sent to the approved institution to be endorsed by the applicant. The institution shall retain the portion of the award that the student owes for expenses and promptly give the applicant any remaining funds.

(6) Information Sharing Policy. All information on an individual's academic scholarship program application will be shared with the financial aid office of the institution to which the individual has applied or is attending to permit verification of data submitted. Information may be shared with federal financial aid offices if necessary to verify data furnished by the state or federal governments as provided for in the Privacy Act of 1974, 5 U.S.C. sections 552, 552a.

AUTHORITY: section 173.250, RSMo Supp. 2008.* Original rule filed Nov. 14, 1986, effective Feb. 28, 1987. Amended: Filed Feb. 3, 1988, effective April 28, 1988. Amended: Filed Dec. 5, 1988, effective March 1, 1989. Amended: Filed Aug. 15, 1989, effective Nov. 15, 1989. Amended: Filed Oct. 14, 1992, effective May 6, 1993. Amended: Filed Sept. 29, 1994, effective March 30, 1995. Amended: Filed Jan. 12, 2007, effective July 30, 2007. Amended: Filed Dec. 15, 2008, effective June 30, 2009.

*Original authority: 173.250, RSMo 1986, amended 1988, 1990, 1991, 2007.

6 CSR 10-2.090 Guarantors of Student Loans to Missourians

PURPOSE: This rule establishes the guidelines pertaining to the activities of independent and private guarantors of student loans with respect to Missouri residents attending Missouri schools pursuant to the provisions included in section 173.186, RSMo. This rule sets forth the responsibilities of the guarantors and the procedures for the identification and notification of affected parties.

Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the material referenced has been filed with the secretary of state. This material may be found at the Office of the Secretary of State or at the headquarters of the agency and is available to any interested person at a cost established by state law.

(1) Definitions.

(A) Coordinating board or board is the Coordinating Board for Higher Education (CBHE) created by section 173.005, RSMo.

(B) Correspondence school is any school or program in which a significant percentage of the instruction is through the study of materials in the home rather than through resident instruction at the school.

(C) Eligible institution is any school which meets the eligibility requirements set forth by the coordinating board in 6 CSR 10-2.030 (*Missouri Guaranteed Student Loan Program Manual*, Chapter 3, Section 3.1).

(D) Independent or private guarantors of student loans denotes private nonprofit agencies that administer a student loan insurance program.

(E) Missouri resident is any person who meets the residency rule set forth by the coordinating board in 6 CSR 10-3.010.

(F) Participate means a postsecondary educational institution has submitted a signed School Eligibility Agreement, been approved by the Missouri Guaranteed Student Loan Program and has delivered one (1) or more Missouri guaranteed student loans to one (1) or more students in the current or previous state fiscal years.

(G) Postsecondary educational institution is any school which comes within the terms institution of higher education or vocational school as those terms are used in Title IV, Part B, of the Higher Education Act of 1965, 20 U.S.C. SS 1080-1087-2.

(H) Student loans are those loans made under the provisions of Title IV, Part B, of the

Higher Education Act of 1965, 20 U.S.C. SS 1071-1098-2.

(I) Total amount of student loans is the sum arrived at by adding the dollar amount of each loan as it exists before that amount is reduced by any fees, payment to postsecondary educational institutions or lenders or other amounts.

(2) Responsibilities of Independent or Private Guarantors of Student Loans.

(A) An annual report will be required from each independent or private guarantor of student loans who guarantees a student loan made to a Missouri resident to attend a postsecondary educational institution located in Missouri and who makes this guarantee on any loan on or after July 1, 1986.

(B) The annual report shall be filed with the coordinating board by August 15 of each year beginning August 15, 1987.

(C) The annual report shall be submitted on a form provided by the coordinating board and will contain at least the following information for the guaranteed student loans guaranteed within the period of July 1 through June 30, inclusive, immediately preceding the August 15 filing deadline:

1. The complete name of the independent or private guarantor of student loans who is filing the report;

2. The signature, at the end of the report, of the officer or employee of the guaranty agency who was responsible for the filing of the report;

3. The date on which the report was signed;

4. The total dollar amount of the student loans guaranteed by the guaranty agency for each postsecondary educational institution in Missouri attended by the students for whom the loans were guaranteed, broken down for each month of the reporting period according to the month in which the loan was guaranteed. These amounts should be reported regardless of whether any loans were cancelled in part or in full;

5. The name and address of each postsecondary educational institution attended by the students who were beneficiaries of the guaranteed loans; and

6. The total dollar amount for the entire twelve (12)-month reporting period of the guaranteed student loans broken down according to each postsecondary educational institution attended by the students for whom the loans were guaranteed.

(3) Identification and Notification of Parties Affected by This Rule.

(A) Affected guaranty agencies will be identified from information compiled by the